



To: Indiana Housing Finance Authority Board of Directors
From: Laura M. Troop, Sheryl Sharpe, Mark Young
Date: February 17, 2000
Re: Disaster Recovery Initiative

In 1998, Indiana received \$6.5 million in "special" Community Development Block Grant (CDBG) flood mitigation assistance from the U.S. Department of Housing and Urban Development (HUD) Disaster Recovery Initiative. IHFA and the Indiana Department of Commerce jointly provided grants under this program to address housing and community development needs within the 13 Southern Indiana counties declared federal disaster areas following the 1997 Ohio River Flood.

Of the \$6.5 million "special" allocation, approximately \$3.4 million was awarded through IHFA for acquisition and demolition of housing located within a flood way or flood way fringe. As these 1998 awards are nearing completion, staff has found that some grantees will not be utilizing their full award amount.

Alternatively, one grantee (Clark County, on behalf of Clark, Harrison and Floyd Counties) has fully encumbered their existing flood award. The subrecipient on this award, River Hills Economic Development District and Regional Planning Commission, has identified seven additional homes that qualify for the acquisition/demolition program. The cost associated with acquisition, demolition, and program implementation on these seven homes is \$654,000.

The deadline for expenditures under the "special" CDBG Flood Appropriation is July 31, 2000. Any funds not expended by this date will be recaptured by HUD. River Hills has received initial appraisals, review appraisals, and demolition bids on all seven additional properties; therefore, they are in position to move quickly to expend the CDBG funds prior to the July 31st deadline. IHFA staff respectfully recommends that the Clark County award (HD-980-010) be increased by \$654,000 for a total award amount of \$1,581,710.